IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE FOURTH DAY OF NOVEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE A.GOPAL REDDY

WRIT PETITION NO: 20155 of 2004

Between:

Ch. Sri Rama Rao S/o Ranga Rao
Annapurna Colony, NTPC Town Ship Jyothi Nagar, Karimnagar District

... PETITIONER

AND

1 Superintending Engineer, Panchayat Raj Engineering Department, Waragnal
2 Superintending Engineer Panchayat Raj Circle, Karimnagar
3 Pay & Accounts Officer, Karimnagar
4 Regional Vigilance & Enforcement Officer Karimnagar

...RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue an order or direction or Writ specially Writ of Mandamus declaring the action of respondents in issuing the impugned order in Lr.No. AB1/390/SC/02-03 DT. 11-3-2003 and Lr. No. abl/390/SC/02/10A dt 23-10-2002 in demanding additional seigniorage Charges as illegal, arbitrary and unconstitutional and in violation of Principles of G.O.Ms. No. 195 PR & RD (Pogs.II) dept dt 10-5-1999 and consequently set aside the impugned orders in Lr. Nos. AB1/390/SC/02-03 dt 11-3-2003 and LR. No. ab1/390/SC/02/10A dt 23-10-2002.

Counsel for the Petitioner: MR.B.NARAYANA REDDY

Counsel for the Respondents: GP FOR PANCHAYAT RAJ & RURAL DEV.

The Court, at the admission stage, made the following:

ORDER:

Heard the learned counsel for the petitioner and also the learned Government Pleader appearing on behalf of the respondents.

2. Learned Government Pleader fairly concedes that the matter has to be disposed of in the light of the order passed by this Court in W.P.No.13263 of 2003 dated 09-12-2003, wherein it was held as under:

> "It is not in dispute that as per the terms and conditions of the agreements, the seigniorage charges will be recovered from the contractor's bills in terms of G.O.Ms.No.195, dated 10-05-1999 at the prevailing rates as on the dates of agreements. In the absence of any contract to the effect that the contractor is liable to pay seigniorage charges during the contract period as per the rates prevailing or as per the revised rates. The rates which will be recoverable as on the date of agreement will be final and the same can be recovered from the contractor's bills until the completion of the contract. In the absence of such agreement, no accrued right is reserved with the employer to recover seigniorage charges at the rates applicable from time to time. It is not open for the respondents to alter unilaterally the terms and conditions of the contract and recover the sengniorage charges at higher rate than the rate agreed upon. In view of the same, the revised rates as prescribed in G.O.Ms.No.331 dated 21-6-2000 cannot be made applicable to the concluded contracts and the respondents are entitled to recover the seigniorage charges only at the rates prevailing as on the dates of agreements but not otherwise."

The writ petition is disposed of with the same directions as referred to in the aforementioned order. No costs.

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A. **GOPAL REDDY, J**

November 4, 2004

MRR

ASSISTANT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To:

1 Superintending Engineer, Panchayat Raj Engineering

Department, Warangal.
2 Superintending Engineer Panchayat Raj Circle, Karimnagar
3 Pay & Accounts Officer, Karimnagar
4 Regional Vigilance & Enforcement Officer Karimnagar

5 Two C.C. s to the G.P. for Panchayat Raj and Rural Development,

High Court Buildings, Hyderabad (OUT)

6 Two C.D. Copies.